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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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*see M/02/001  
for attachments  
(bond file)*

April 9, 1991

TO: Board of Oil, Gas and Mining

THRU: Dianne R. Nielson, Director *[Signature]*

THRU: Wayne Hedberg, Minerals Permit Supervisor *[Signature]*

FROM: Holland Shepherd, Senior Reclamation Specialist *[Signature]*

RE: Update on Board's Review of Interim Form and Amount of Surety, Geneva Steel's Iron Mountain Sites, M/021/001, M/021/005, and M/021/008, Iron County, Utah

During the March, 1991 Board briefing session, the Board initiated a review of the form and amount of interim reclamation surety, proposed by Geneva Steel (Geneva) for their Iron Mountain mine properties. Geneva has requested that the Board accept a self-bond for \$1,180,500. The Board announced at the March briefing, that the decision concerning the surety request would be carried over to the April, 1991 Board briefing session, to allow adequate time for the Board to evaluate the proposal.

The Board made a preliminary decision regarding Geneva's surety proposal during the March, 1991 session. That decision was to accept Geneva's self-bonding proposal only for the amount not already covered by hard surety.

Currently, the sites under discussion are covered by a total reclamation surety of \$887,372. Three reclamation sureties are held in the names of Geneva Steel, Utah International Inc., and CF&I. \$558,951 posted by CF&I in the form of a surety bond; \$217,421 posted by UII in the form of a Board Contract; and \$81,000 posted by Geneva in the form of a depository bank account. Of this total, \$639,951 can be considered hard surety, and \$217,421 as soft surety.

Based on these figures, Geneva would have to provide the Division and Board with \$639,951 in hard surety. The remaining surety amount (\$540,549), could be covered by a self-bond.

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Geneva Steel

M/021/001, M/021/005, and M/021/008

April 9, 1991

The Board requested that highlighted and blacklined versions of the interim Reclamation Contract and Self-Bonding and Indemnity Agreement be provided for evaluation before the April Board meeting. These versions indicate the changes made to these two documents by Geneva's legal counsel. Mr. Clay Parr, Attorney for Geneva Steel, has supplied copies of these documents to the Division which are attached for your evaluation.

jb

Attachments

M021001.1

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number MO210008 Mine Name Iron Mountain  
Operator Palladon Iron Corp Date Sent 4/9/1991  
TO Board of Oil, Gas & Mining FROM Holland Shephard

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description

YEAR-Record Number

☐ NOI ☒ Incoming ☐ Outgoing ☐ Internal ☐ Superceded  
letter Rec'd 3/14/1991 from Kimball, Parr, Wodcloups,  
Brawn & Gee 1991 - 0004  
Blank m.RRC

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_